

2004~2005

Sea Urchin Harvest Outlook

SPECIAL REPORT

With Reduced Demand and a Market that has failed to consume the Coast-wide Quota, new Challenges Face the BC Sea Urchin Industry.

BY DAVID MCRAE, B.SC

Sea urchin season in British Columbia is set to run from August 1, 2004 to May 2005, with a coast-wide quota of 10.7 million pounds. This is the same as last season even though low consumer demand created a quota shortfall of 650,000 pounds. There are many issues that have contributed to the current market conditions and the Pacific Urchin Harvesters Association (PUHA) is facing them head-on in an effort to regain previous market position.

Some of the main topics in the spotlight this coming season are:

- Sea otter population increase
- Foreign supply
- Changes in quota lease prices
- DFO's new ticketing agenda
- Area quota changes
- New marketing programs initiated by PUHA

Sea Otters

The exploding sea otter population is the greatest threat to the sea urchin fishery in British Columbia. On January 10, 2002 the BC Seafood Alliance Executive Director, Christina Burridge, notified the Hon. Joyce Murray, Provincial Minister of Land, Water & Air Protection in writing of the sea otter situation on the B C Coast.

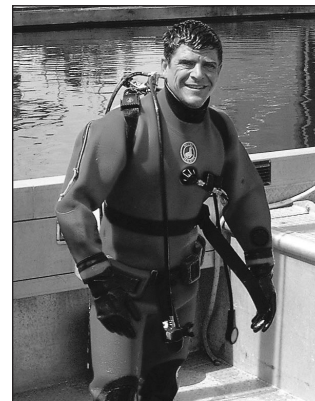
The purpose of this letter is to alert you to the fact that the population of sea otters in British Columbia is large (estimates range between 2,000 and 3,000 animals) and growing at the exponential rate of an estimated 18 percent a year.

They eat 20 to 30 percent of their body weight every day. With an average body weight of about 50 pounds the current annual consumption of shellfish by sea otters is about 11 million pounds. In ten years, with continued increase in population, shell fish consumption by sea otters could rise to 59 million pounds per year.

Sea otters have already completely eliminated harvesting from some areas. Not that the areas needed to be closed, but since there are no sea urchins left in these areas, there are none to harvest. The areas most affected are on the NW coast

of Vancouver Island, areas around the Goose Islands, the Tribal group, and Mc Mullin group. Sea otters have virtually removed all sea life from the rocks in these areas, and the problem is not going to improve. Because of the Sea Otter Rebuilding strategy the population is expanding far more rapidly than anticipated.

If we look at Alaska where the sea otter population was re-established earlier than in BC, we can observe a preview of what could be facing BC. I contacted Donny Kambeitz, a sea urchin diver and owner of "Dojo Seafoods" a processing company in Craig, Alaska. Kambeitz told me, "The writing is on the wall for the demise of the sea urchin fishery here if no control measures are put in place to protect the sea urchin and all other shell fish from otter predation." In a reverse role, Kambeitz feels he may have a future in the industry if he can obtain some grant money to help re-establish the sea urchin population.



David McRae in his Business Suit

Foreign Supply

Supply from other countries is the strongest factor in the sliding prices in Japan, the main consumer of sea urchin roe. For the past few years Russia has been flooding the market at peak times throughout the year. Their close proximity to Japan makes transportation costs extremely low. They don't have to fly the sea urchins across the Pacific Ocean as we do. The season in Russia and BC are open for harvest at the same time, and since the worst weather in Russia is in January, the supply of their cheaper product is reduced, resulting in a

slight increase in demand for BC product at that time.

But the Russian supply is showing some signs of slowing down. There have been reports of divers harvesting at depths up to ninety feet, and industry sources in Japan indicate the death toll among Russian sea urchin divers last season was about 20.

Chile is also a major player in the market, and is responsible for shutting down the sea urchin industry in BC during the summer months. They have very high quality as far as the color and texture are concerned, but the taste is regarded as poor by the Japanese consumer. Even so, the low price of Chilean urchin roe has attracted many consumers and it is therefore not profitable for the West Coast fleet to attempt to compete with them.

The good news is there are some indications that, like Russia, the supply from Chile is slowing down also. There have been reports that in some harvest sites Chilean divers are no longer able to find sea urchins large enough to process. Sea urchin packers are entering the picture in Chile now, and this can only mean the harvest sites close to port have been exhausted and their stocks are on the decline.

Lease Prices

Last season the ground price for whole urchins declined. The PUHA President's Report at the June General meeting reported, "Prices were generally down by five percent, and some fishermen reported prices as low as forty cents per pound." Sea urchin quota lease prices failed to adjust to the lower market prices with the result that, with lower net ground prices to fishermen, some vessels operated at a loss.

For the coming season there are some signs of a reduction in the lease prices, so it is possible there may be relief for fishermen. For the last few years the cost of a sea urchin quota lease has been approximately \$25 000. Participation in the fishery by license owners is very low, maybe only three or four individuals, so virtually all active fishermen in the sea urchin dive fishery rely on leasing licenses to compete.

For next season there has been some talk between processors, who are essentially responsible for establishing the price of a lease, to have the cost reduced to the \$15 000.00 range. In past seasons the demand by processors has been the main force keeping lease prices where they are. With the reduced demand for sea urchins and a market that has failed to consume the coast-wide quota, an opportunity for a reduction in the lease price of sea urchin quota exists.

DFO New Ticketing Agenda

Fisheries offences in the past had the mandatory requirement that the accused appear in court, even if a guilty plea was entered. The new ticketing program expected to be introduced for the 2004-2005 fishing season will eliminate this

costly and time-consuming court attendance.

Some of the relevant fines are \$250 and \$50 for each undersized red and green sea urchin, respectively, and \$ 500 for "contravening or failing to comply with any condition of license."


Area Quota Changes

There are numerous area quota changes from last season, recommended by the fishermen. The changes are made with the purpose of maximizing fishing effort and sustainable management of the fishery; limiting the catch in areas with reduced numbers; and shifting the effort to areas with a larger population of sea urchins. The most notable change is in the North Coast. This will include having a portion of the North Coast open all season or until the quota has been achieved. The open area includes Smiths Inlet, Rivers inlet, Grief Bay and Seaforth Channel.

New Marketing Programs

Marketing initiatives by the PUHA are ongoing. Last November members of PUHA and Juanita Rodgers from DFO traveled to Japan to investigate the market and promote interest in the Canadian sea urchin. In mid-July this year, Paddy Wong, a local sea urchin processor and some of the divers that supply his plant will be traveling to the 2004 Seafood Show in Tokyo. Paddy Wong's buyer in Japan has a booth at this show and will share space with the Canadian suppliers to promote the Canadian product. PUHA has recently developed an information video on Canadian sea urchins. This video spotlights the high quality and exceptional taste, and focuses on the clean waters and natural coastline of British Columbia.

In September there are plans for a Canada week at the Tsijiki wholesale fish market in Japan. During that week PUHA member and Processors will be in attendance to further promote the Canadian sea urchin. Work is in progress

to increase the traceability of sea urchins so consumers know where they come from, and new labeling will include all ingredients. This year as well a new brand name for the Canadian sea urchin in Japan will be launched. The name "Canadian Gold" will be introduced as a way of referring to the high quality of Canadian sea urchins. It is hoped these continuing efforts will help us maintain market share. 

For more information on sea urchins visit: www.kuroshio.com



Urchins Coming Aboard



A Day's Work